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ABSTRACT

In this report, the executive director of the California State Postsecondary Education Commission summarizes the major demographic and political forces that will likely affect the shape of higher education leadership in California during the 1990s. The report discusses the implications of increased enrollment pressures on educational equity, geographic access, and competition among the segments for new campuses. Next, an analysis is provided of the state's political climate and prospects for state support of growth, with particular emphasis on California's economy, the state budget, and the vulnerability to revenue shortfalls of the University of California and California State University. In addition, four major challenges to the State's postsecondary leaders are identified: (1) insulating institutions from political uncertainty; (2) building a decision-making process to manage the politics of growth; (3) maintaining quality and dynamism within steady-state; and (4) improving productivity. (GLR)

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Summary

In this report to the California Postsecondary Education Commission, Kenneth B. O'Brien -- the Commission's executive director -- summarizes the major demographic and political issues that will likely affect the shape of higher education leadership in California during the 1990s.

On pages 1-3, he discusses the implications of increased enrollment pressures on educational equity, geographic access, and competition among the segments for new campuses.

On pages 3-6, he analyzes the State's political climate and prospects for State support of growth, with particular emphasis on California's economy, the State budget, and the vulnerability to revenue shortfalls of the University of California and the California State University

On pages 7-8, he identifies four major challenges to the State's postsecondary leaders -- (1) insulating institutions from political uncertainty; (2) building a decision-making process to manage the politics of growth; (3) maintaining quality and dynamism within steady-state; and (4) improving productivity.

On pages 8-9, he concludes that "the decade of the 1990s will be a dynamic and important one for higher education in California. The decisions that are made during this decade will significantly affect both the size and type of institutions that this State will have in place for the next several decades. The quality of leadership -- both at the campus, the system, and the State level -- is critical to the success of this agenda With the right leadership, institutions can be strengthened, and their ability to respond to the changing needs of future populations improved. Although the task of competing for State funds will not be easy, with prudent management and planning, the resources can be found. With capable leadership, some vision, and -- frankly -- some luck, the system of higher education in California that will be available to today's children has every promise of being as diverse, excellent, and exciting as the one that has made California the great State that it is today."

The Commission discussed this report at its meeting on March 5, 1990. Additional copies of the report may be obtained from the Publications Office of the Commission at (916) 324-4991. Questions about the substance of the report may be directed to Executive Diorector O'Brien at (9160 322-7986.

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THE DYNAMICS OF POSTSECONDARY EXPANSION IN THE 1990s

Report of the Executive Director, Kenneth B. O'Brien

March 5, 1990

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
Third Floor • 1020 Twelfth Street • Sacramento, California 95814-3985

COMMISSION REPORT 90-12
PUBLISHED MARCH 1990

THIS is one in a series of reports by the executive director of the California Postsecondary Education Commission on important issues affecting California postsecondary education. These reports are brought to the Commission for discussion rather than action, and they represent the interpretation of the executive director rather than the formal position of the Commission as expressed in its adopted resolutions and reports containing policy recommendations.

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The Dynamics of Postsecondary Expansion in the 1990s

AS CALIFORNIA enters the last decade of this century, its educational leaders are looking to the future with a combination of hope and trepidation: hope because the prospects for the future look bright; trepidation because of the danger that prospects will be dimmed. After years of post-Proposition 13 stagnant budgets, State resources for higher education have consistently grown over the past several years. Enrollment pressures are strong, and -- assuming continued resource availability to support that growth -- the 1990s could be a decade of building and risk-taking, in contrast to the recent past of consolidation and competition. But the State political picture is cloudy, and that in turn clouds the postsecondary political picture, raising doubts as to whether public resources will match system needs.

The challenge to educational leaders faced with these pressures isn't all that complicated, although the solutions are likely to be. The near-term agenda of educational policy issues has been scripted, and the priority tasks to be undertaken include:

1. Reinvigorated attention to an effective community college transfer function;
2. Accelerated progress toward combining the goals of educational quality and equity, including increasing access to historically underrepresented groups as well as enhancing undergraduate retention through the baccalaureate and to graduate school; and
3. Addressing the need for curriculum innovation, in part through the replenishment of faculty as a large portion of the existing faculty will soon be retiring.

The dilemma facing higher education's leaders will be the creation of an environment that combines renewal and reform with enough stability to allow for priority setting and planning to accomplish these goals. Given the likely external and internal political pressures that will face the institutions in the next decade, this may be easier said than done, unless postsecondary leaders are able to maintain a priority setting process that is driven largely by policy rather than by politics

This brief report summarizes the major demographic and political forces that will likely affect the shape of higher education leadership in California through the decade. It concludes with a brief set of key issues that are likely to dominate the politics of higher education during this period, with suggestions about strategies to stabilize the environment to allow for planning and priority setting.

Enrollment pressures

The State of California is growing at an explosive rate, and is expected to do so through the next decade. Each month, California adds over 50,000 new people, sufficient to populate a city the size of Davis. Each year, that amounts to population growth equal to the city and county of San Francisco. This kind of growth has been absorbed before in this State: overall, growth between 1980 and 2020 is projected to be roughly equal to the growth that occurred between 1940 and 1980.

Accompanying population growth will be enrollment growth throughout postsecondary education. The decades of the 1970s and 1980s saw overall enrollment decline or stagnation in postsecondary education, with the result that the institutions of today are markedly different in the kinds of students served than they were two decades ago: more older, and part-time students, fewer graduate students, and more students enrolled in the applied sciences and the professions. The students of the future will likely be different again: Enrollment demand among 18- to 24-year olds will increase sharply by the end of the 1990s, and with continued enrollment pressure from older and returning students, California's overall postsecondary enrollments are project-

ed to grow by close to 700,000 students by 2005, with each of the public segments experiencing roughly similar enrollment demands, with the need to grow between 34 and 40 percent overall. More important than the absolute volume of growth will be the changes in the kinds of students expected in the future from those in the past: growth among Latino and Asian populations will far outstrip growth from other populations, and enrollments of Black and White students as a percentage of the total student population will decline.

Three critical political and policy issues will surround the State's decision process for preparing for growth: the issues of educational equity, geographic access, and intersegmental competition for new campuses. These will be briefly discussed in turn.

Educational equity

The ability of the State of California to improve access to historically underserved students will directly and dramatically affect the volume of student growth. Display 1 below shows the different volumes of growth that occur under different assumptions of racial and ethnic participation parity. Currently, Latino and Black students overall are se-

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DISPLAY 1 *Demographic Research Unit Projections of Possible Enrollment Growth in California's Three Public Segments of Postsecondary Education Between 1988 and 2005, Given Different Ethnic Participation Assumptions, and Compared with Segmental Projections*

	1988	2005	Net Growth	Percentage Growth
California Community Colleges (No Progress)[1]	1,333,191	1,651,366	318, 175	23.9%
California Community Colleges (Projected Progress)[2]	1,333,191	1,873,210	540,019	40.5
California Community Colleges *(Segmental Projection)*	1,333,191	1,873,210	540,019	40.5
California Community Colleges (Full Parity)[3]	1,333,191	1,910,439	577,248	43.3
California State University Total (No Progress)[1]	355,106	389,002	33,896	9.5%
California State University Total (Projected Progress)[2]	355,106	465,700	110,594	31.1
California State University Total (Full Parity)[3]	355,106	534,417	179,311	50.5
California State University Total *(Segmental Projection)*	355,106	541,300	186,194	52.4
University of California Undergraduates (No Progress)[1]	121,739	147,884	26,145	21.5%
University of California Undergraduates *(Segmental Projection)*	118,513	161,800	43,287	36.5
University of California Undergraduates (Projected Progress)[2]	121,739	180,200	58,461	48.0
University of California Undergraduates (Full Parity)[3]	121,739	202,475	80,736	66.3
Total Postsecondary Education (No Progress)[1]	1,810,036	2,188,252	378,216	20.9%
Total Postsecondary Education (Projected Progress)[2]	1,810,036	2,519,110	709,074	39.2
Total Postsecondary Education *(Segmental Projections)*	1,806,810	2,576,310	762,617	42.6
Total Postsecondary Education (Full Parity)[3]	1,810,036	2,647,331	837,295	46.3

Notes: University of California projections exclude health science enrollments. Discrepancies in the University's 1988 actual enrollment are due to differences between fall and year-average enrollment.

1. "No Progress" assumes that all ethnicities participate in postsecondary education in 2005 at their 1988 rates.
2. "Projected Progress" assumes accelerated progress among the segments in admitting eligible underrepresented students and some progress in the K-12 system in improving the graduation rates of underrepresented students. These are the Demographic Research Unit's official projections.
3. "Full Parity" assumes elimination of graduation rate differentials between ethnicities in the K-12 system and that eligible applicants from underrepresented backgrounds are admitted to each segment of postsecondary education at the current White rate.

Source: California Postsecondary Education Commission, 1990, p. 19, from Demographic Research Unit, Department of Finance.

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verely underrepresented in postsecondary education, both because these groups have a higher K-12 drop-out rate than do Asians and Whites, and also because those who graduate from high school achieve eligibility to meet the admissions requirements set by the public universities at rates far below Master Plan goals. Although the State has often stated its policy goals that "full access" be reached by 2005 -- e.g., that Black and Latino students participate in higher education at the same rate as do Whites and Asians -- the State has thus far made insufficient progress toward that goal. If the goal of access is to be reached, then the agenda of improved educational diversity at the elementary and secondary level needs to be integrated into the agenda of growth in postsecondary education. This will require attention to program interventions in the K-12 and postsecondary system directed to lowering the high school drop-out rates and increasing college eligibility and participation. That agenda is not hopeless: there are many examples of such programs now in place in California, operating at an annual average cost of $117 per student, which have a demonstrated track record of success. The problem is that these programs reach less than 8 percent of the Black, Latino, and Native American students.

Geographic access

The issue of geographic access is the second political policy issue affecting growth. Many of California's existing college and university campuses are full, and enrollments on these campuses will not be expanded either because of policy decisions to limit the total size of the institution or because of environmental prohibitions against growth. In order to accommodate enrollment pressure, more institutions must be built, but there will be pressure not to put them in the urban areas where most of the institutions now are, but to expand to areas which now do not have any institutions at all. The urban-suburban-rural politics of where new campuses are put, and how this will relate to the agenda of improved educational access and equity, will be a difficult one to navigate.

Intersegmental competition for campuses

The most visible public issue affecting growth in postsecondary education is likely to be that of competition among the systems for political support to build new campuses. Since the system that is best able to succeed at this competition is likely to be most advantaged in competing for student and other resources in the future, they are likely to put forward a full-court press to convince the State of their need for resources. An agenda of increased intersegmental cooperation is likely to get short shrift in this scenario. Also, there will be considerable political pressure on elected officials to base decisions for the location of new campuses on criteria other than educational or Master Plan policy. Not all of these "external" or political considerations will be unimportant: For instance, the goal of economic development is just one example of a legitimate decision criteria affecting the site of a new university campus. Given the stakes of the decision, it is not clear that the Legislature and the Governor will be satisfied with leaving these decisions entirely in the hands of the segmental governing boards.

Prospects for State support of growth

The State economy

One bright light on the planning horizon is the State's overall economy. California continues to be blessed with a strong economy, having as it does a well diversified base of service, military, governmental, industrial, and agricultural production sectors. Unless the national economy weakens considerably, California has been able to sustain economic growth without a recession. The current period of economic growth, which began in 1982 and which has been sustained through 1990, is expected to continue, although at some point the pace of growth will inevitably slow down. According to the Commission on State Finance, through the 1990s the economy is expected to continue to grow, with personal income increasing in California on an average of 8.4 percent per year, as contrasted with 7.1 percent nationally. This level of growth is largely attributed to the diversified economic base in California, as well as because the rate of California's population growth is more than twice the national rate (1.8 percent, compared to 0.7 percent). Assuming that inflation stays at below 6 percent, California's economy is expected to be robust, with both the pop-

ulation and revenue potential to produce a tax base strong enough to finance needed State services.

The State budget

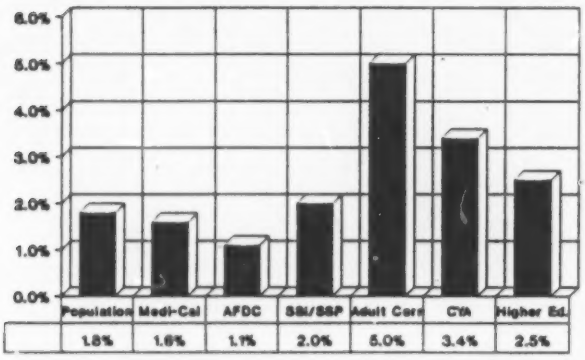
On the other hand, of great concern to postsecondary educators is the long-term picture for the State budget. Put bluntly, the State of California's budget is structurally ill-equipped to support either the short or the long-term budgetary needs of postsecondary education. The difficulty exists both for capital outlay budgets needed to build new buildings, as well as in operating budgets.

Capital outlay funding: In the past 30 years, California has historically turned to four major sources of financing for new capital projects: (1) local property tax revenues -- particularly important to the Community Colleges; (2) Tidelands Oil revenues; (3) federal funds; and (4) general obligation bond sales. Now, however, as the State prepares for the second greatest growth period in its history, the only consistent source of revenue for most projects is general obligation bond sales. The Commission estimates that it would take approximately $514 million in bond sales *each year* from 1991 through 2005 to generate the capital outlay funds required to accommodate enrollment expansion -- a figure that does not take into account resources needed for program improvements, or seismic safety corrections, or other backlogged projects. Since the capital budget has been the least well supported part of postsecondary education in the past 15 years -- capital projects tend to be the first to be cut in times of fiscal constraints -- the $514 million figure understates total needs. Yet, even this level would require almost a doubling of postsecondary education's share of total State bond receipts. It is not clear, given the competing priorities for other parts of the State budget in areas such as highways, prisons, K-12 schools, and the environment -- that this kind of enhancement in financing is reasonable to expect

Available funds for operating budgets: The capacity of California to provide the support funds required to accommodate growth in its public colleges and universities will depend on both availability of tax revenues and the State's spending limit. State financing for higher education does not occur in a vacuum, and higher education will be competing over the coming years with other State services for limited funds. Display 2 at the right outlines projected growth in major State budget categories, compared with projected growth in higher education. It is clear from this display that despite dramatic growth in postsecondary education, most major State expenditure categories are projected to grow even faster. Even in an environment free from appropriations' constraints, it will take a major commitment on the part of both State government and California's citizens to maintain existing levels of services for a growing population through the beginning of the twenty-first century. The Gann State Spending Limit remains intact for California's two public universities, despite Proposition 98, which lifted it for school and community college spending. Under the Limit, the controlling factor dictating how much budgets can grow is overall State population growth and inflation. If inflation is assumed to have the same effect for both revenues and expenditures (and this is a fair assumption for planning purposes), then looking at the differences between overall State population growth and enrollment or caseload growth in a particular budget category gives a good indication of the potential Gann problem.

If enrollment or caseload for a particular budget is growing faster than the general population, then funding for that growth will have to be found from some other portion of the budget. This does not present a problem so long as other parts of the budget are growing at rates lower than general population growth. Unfortunately, the age groups within the population that most depend on State funding are growing at a faster rate than overall population. The Commission on State Finance has statutory responsibility for estimating how the appropriations limitation will work, as well as for General Fund revenue and expenditure forecasting. Its current forecast extends through 1998-99. According to those estimates, State revenues are expected to grow at an annual adjusted rate of roughly 2.4 percent without inflation, whereas the appropriations limit will grow by only 1.8 percent per year using adjusted estimates. Thus by this estimate, any budget that grows more than roughly 1.8 percent per year without inflation will either have trouble being funded or will squeeze funding for other budget categories for funds. In order to fund enrollment growth alone, postsecondary educational budgets will need to grow, on average, by around 2.3 percent

DISPLAY 2 Projected Average Annual Percentage Growth in State Population Compared to Workload Growth in Major State Budget Categories, 1988-1998



Source: California Postsecondary Education Commission, 1990, p. 40.

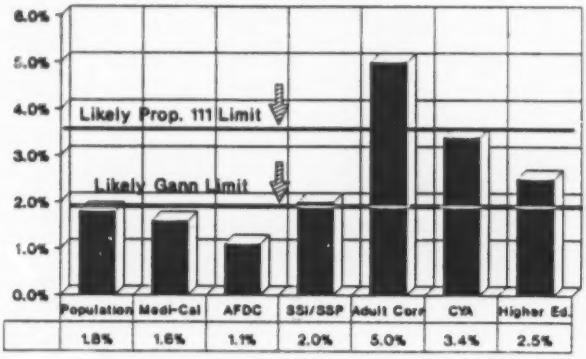
per year between now and 2005. In addition to enrollment growth, the segments have historically received funds for increases in real operating costs above and beyond growth averaging approximately 1.5 percent per year, resulting in total likely annual augmentations of approximately 3.8 percent, before inflation adjustments. Any new funding for program improvements or to overcome existing funding deficiencies would be in addition to these costs.

The question naturally arises as to whether other parts of the budget will be growing at a lower rate so as to allow funds to be reallocated to postsecondary education. The answer is a resounding no. Based on a survey of the growth requirements for all parts of the budget, the Commission on State Finance finds that to fund workload increases as required by current law will require growth of 2.1 percent per year. While it can be expected that all efforts will be made to contain costs and find efficiencies, these persistent and sizable gaps between expected needs and the State's ability to pay for them are not likely to be closed. This problem will be especially acute in the human, medical, and other social service categories, where State funding tends to be matched with federal funds and the State's capacity to make unilateral cuts is therefore limited.

This June, California voters may choose to mitigate the conflict between the need to grow and the constitutional limit on State spending. Their passage of Proposition 111 would keep both a spending limit and funding guarantee to K-14 in place, but would (1) increase the spending limit to reflect economic growth, (2) allow the State to use excess revenues in one year to back-fill a revenue shortfall in a subsequent year, and (3) prevent K-14's funding guarantee from jeopardizing other State priorities.

Continued State support for higher education growth hinges upon voter approval of Proposition 111. However, passage of Proposition 111 does not mean that growth can be unrestrained. The collective growth of necessary programs such as health, welfare, K- 2, and corrections in addition to higher education may still outstrip increases in the spending authority from Proposition 111. Thus, even if Proposition 111 passes, the State may well find itself "up against the limit" in another ten years. Display 3 below shows the projected average annual percentage growth in State population and major budget categories compared with likely funding limits.

DISPLAY 3 Projected Average Annual Percentage Growth in State Population, Compared to Workload Growth in Major State Budget Categories and the Likely Gann and Proposition 111 Limits, 1988-1998



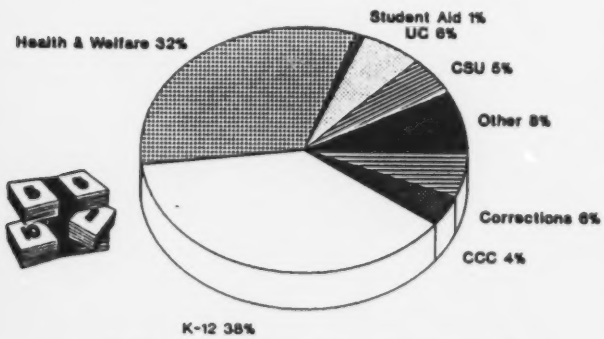
Source: California Postsecondary Education Commission, 1990, p. 40.

The universities' vulnerability to revenue shortfalls

While there is good reason to believe that California's economy will remain strong, recent exper-

iences and good sense both indicate that some downturns will periodically occur. When revenues fail to grow consistently, budgets for the two university systems and student aid are particularly vulnerable, because they are not funded through statutory formula, but instead depend on the annual State budget process for determining funding levels (Display 4). Most of the State budget, on the other hand, is protected either statutorily or constitutionally through formulae that have removed the decision-making process from the Governor and the Legislature. Thus, very few parts of the budget are available or accessible to absorb budget cuts that may be needed in any given year due to revenue shortfalls or appropriations' limitations.

DISPLAY 4 California State General Fund Expenditures by Major Budget Categories, 1988



Source: California Postsecondary Education Commission, 1990, p. 40.

What this means as a practical matter is that if revenue shortfalls occur, it is technically as well as politically easier to turn off the funding faucet on the two universities than for most other parts of the budget. This budgetary vulnerability is a particular problem for the State University system, because its governance and funding structure both make it more susceptible to State funding uncertainties than the University of California.

The State's political climate

A final piece of the puzzle that will dictate the shape of postsecondary educational politics in California is the political future of the State. As of this writing, a lot of that future seems to be, and in fact may be, up for grabs. The 1990 election will be the first general election that has taken place since Proposition 73 -- the "campaign finance reform initiative" -- went into effect. Whether this has the predicted effect of strengthening party role in fund raising, or merely changes the fund-raising apparatus, or has any discernible impact at all, is too early to predict. Simultaneously with a changed system of political finance, there are several proposals currently being floated either in the Legislature or before the voters that could additionally change the decision-making structure of the political process: two of the most far-reaching include a proposal to limit the number of terms in the Legislature, and another to remove the authority for reapportionment from the Legislature and Governor. While it is not clear what will emerge from all of these proposals, the level of activity alone seems to indicate either continued public frustration with the political structure, or continued political willingness to run on "reform" or anti-government issues. Thus, although analysts might conclude that California needs a strengthened State decision-making process in the next decade, the public political pressure seems to be moving in the opposite direction.

There are some bright signs on the horizon: following more than a decade of increased and frequently bitter partisanship, there are some indications that the moderates from both major parties are moving closer together. On many major issues -- education, public safety, the environment -- the two parties are not far apart. Just beneath the surface, however, the issues get to a level of controversy that makes candid discussion uncomfortable for those who must campaign in the public spotlight: how the State will manage its growth, and maintain or improve the quality of life for its citizens, without increasing its tax base is the most uncomfortable of all. One of the legacies of the Hiram Johnson reform movement in California is voter access to "direct democracy," or the initiative and referendum process, coupled with a constitutional decision process affecting State spending that requires a two-thirds super-majority for all decisions. All issues affecting Proposition 13 and the Gann expenditure limitation must be made by the voters, as these are embedded in the constitution. However, more and more special interest issues that could be resolved statutorily are being sent to the voters, as all sides of the political spec-

trum are discovering the substantial fund-raising and other benefits from campaigning alongside a ballot proposition. The virtual requirement that all decisions be made on a consensus basis, coupled with voter access to the initiative route, threatens to stalemate public leaders in California for some time to come. The dreary but likely prognosis is that State political leaders will choose to defer most major decisions affecting state spending to the voters.

Challenges to postsecondary leaders

The priority for leadership in higher education in the 1990s in California is clear: the decade will be a time of transition, combining consolidation of resources and expansion. Frankly, the probability that State-level leaders will emerge with a strong policy agenda for higher education is small. The political picture is too fragmented, and funding too uncertain, for much beyond preservation of the status quo to emerge. It is incumbent on those who attempt to lead or manage the system to identify the issues that will affect their institutions, and, to the maximum extent possible, develop strategies to navigate them. This paper concludes with some suggestions about challenges to postsecondary leadership that must be priority concerns:

1. *Insulating institutions from political uncertainty*

Successful postsecondary leaders will increasingly need to be able to insulate their systems to the maximum extent possible from the climate of political uncertainty, while simultaneously moving forward with a proactive agenda. It will be important for statewide and campus leaders to support an academic planning and program review process that is insulated to the maximum extent possible from the State process, and focused on internal program and policy priorities. To do this will require some risk-taking and willingness to take responsibility for the system's financial condition, rather than postponing or passing off tough decisions to be dependent on new State revenues. But budgets can be stabilized and planning done even in a period of fiscal uncertainty. For instance, except in the direst of circumstances, campus planners can reasonably plan on the assumption that they will get at least the previous year's base budget, unadjusted for enrollment or inflation. Additionally, more can be done to plan over a multi-year horizon, with priorities for program changes identified and their funding requirements known. As one example, the impending retirement of a substantial portion of the existing faculty over the next 15 years will give a good deal of the internal flexibility needed to manage program change even without new resources.

To some extent, these kinds of planning and management tools are already in place within the systems, but more can and should be done to encourage their use. State policy makers can help to support this kind of a planning agenda, through the development of State funding policies that encourage decentralized, multi-year program and resource planning. For example, the State might choose to allow campuses to retain some portion of the "turnover savings" (the higher salaries paid to retiring faculty as contrasted with the lower levels needed for new hires) generated through faculty retirements, both for faculty recruitment purposes as well as for other reform priorities.

2. *Building a decision-making process to manage the politics of growth*

Although postsecondary education enrollments will be growing in California, they are not going to be growing equally fast in all regions and among all sub-groups of the population. As new regions of the State grow, there will be increased pressure to expand access to geographically under-served communities, while at the same time students in the inner cities will continue to be statistically underserved. The potential for all issues to be seen under the magnifying glass of racial/ethnic and geographic politics is high and if this potential is allowed to grow unchecked, postsecondary education will become internally balkanized and externally vulnerable to partisan pressures.

Postsecondary administrators must develop decision-making processes that are broad-based, and show evidence of consultation with all relevant constituent groups. More needs to be done to reach outside of individual institutions to other campuses in regions, as well as outside of education entirely to business and local government. The process of making decisions about sites for new campuses needs attention, as well. At present, there is no formal

decision-making role for the Governor or the Legislature regarding new campus sites until that point where the system is ready to ask for money for locations which have already been identified. Given the importance of these decisions to the political and economic leadership of the State, it is unreasonable for system managers to expect to be able to keep State decision makers from becoming involved in the process. The Postsecondary Education Commission can help to some extent in this dynamic, and the Commission has attempted to prepare for a changed role by strengthening its planning role and by building a process for notification of impending siting decisions to the Legislature and Governor. A process that appropriately involves the Legislature and Governor in the decision process must be developed. If it is not, then a climate of increased suspiciousness between the central system governing boards and State decision makers will almost certainly emerge, to the detriment of the systems' ability to maintain internal stability and to retain appropriate control over their affairs.

3. *Maintaining quality and dynamism within steady-state*

One of the greatest dilemmas of growth that will increasingly be faced within the State is the fact of uneven growth among the existing campuses. Many of the institutions which have historically had the greatest student demand, and with the strongest reputations or quality and stability, will be either at steady-state or growing very slowly. Within the State University, the San Diego, San Luis Obispo, and Long Beach campuses are already capped; in the University of California, the Berkeley, Los Angeles, and Santa Barbara campuses are very nearly at their enrollment caps as well.

Two issues must be addressed with this kind of uneven growth.

- One is the need to develop internal budgetary and planning techniques to encourage and protect dynamism even without enrollment growth. As discussed above, these kinds of techniques are already in use at the oldest and richest campuses, but may not be used universally. It is important for the managers at institutions without a strong extramural base, dependent on State instructional resources, to have similar options available as do their peers in major research institutions. Absent that kind of capacity, the natural inclination will be to expand a research or public service base simply to get the kinds of resources needed to maintain flexibility.
- The second issue relates to the internal system dynamics of uneven growth. Whether it is true or not, most faculty and staff on established campuses believe that resources to areas of growth elsewhere in the State are coming "out of their hides." The potential for the community of interest within postsecondary education to become increasingly fragmented if these kinds of dynamics continue unabated is clear.

4. *Improving productivity*

A final and important agenda that must be developed within the higher educational community is increased attention to productivity in use of resources. Postsecondary leaders must be willing to look at an agenda of increased productivity as an opportunity rather than a threat. More can and should be done to increase productivity within the instructional budget, through increased use of educational technology and through nontraditional staffing patterns. Again, turnover of the existing faculty will give opportunity and incentive for more to be done in this area. But more can be done as well to support more efficient use of resources outside of the instructional budget area. The whole question of the size and scope of administration needs to be re-examined, particularly as these systems get bigger and more mature. The potential for increased used of part-time student employment for support positions associated with growth should also be examined, as this can help to contain costs while simultaneously giving more students opportunities for campus-based jobs.

Conclusion

The decade of the 1990s will be a dynamic and important one for higher education in California. The decisions that are made during this decade will significantly affect both the size and type of institutions that this State will have in place for the next several decades. The quality of leadership -- both at the campus, the system and the State level -- is critical to the success of this agenda. With the right

leadership, the institutions can be strengthened, and their ability to respond to the changing needs of future populations improved. Although the task of competing for State funds will not be easy, with prudent management and planning, the resources can be found. With capable leadership, some vision and, frankly, some luck, the system of higher education in California that will be available to today's children has every promise of being as diverse, excellent, and exciting as the one that has made California the great State that it is today.

Reference

California Postsecondary Education Commission. *Higher Education at the Crossroads: Planning for the Twenty-First Century*. Commission Report 90 1 Sacramento: The Commission, January 1990

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.

Members of the Commission

The Commission consists of 15 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. The other six represent the major segments of postsecondary education in California.

As of February 1990, the Commissioners representing the general public are:

Mim Andelson, Los Angeles;
C. Thomas Dean, Long Beach;
Henry Der, San Francisco;
Seymour M. Farber, M.D., San Francisco;
Rosalind K. Goddard, Los Angeles;
Helen Z. Hansen, Long Beach;
Lowell J. Paige, El Macero; *Vice Chair;*
Cruz Reynoso, Los Angeles; *Chair;* and
Stephen P. Teale, M.D., Modesto.

Representatives of the segments are:

Meredith J. Khachigian, San Clemente; appointed by the Regents of the University of California;

Theodore J. Saenger, San Francisco; appointed by the Trustees of the California State University;

John F. Parkhurst, Folsom; appointed by the Board of Governors of the California Community Colleges;

Harry Wugalter, Thousand Oaks; appointed by the Council for Private Postsecondary Educational Institutions;

Joseph D. Carrabino, Orange; appointed by the California State Board of Education; and

James B. Jamieson, San Luis Obispo; appointed by the Governor from nominees proposed by California's independent colleges and universities.

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory planning and coordinating body, the Commission does not administer or govern any institutions, nor does it approve, authorize, or accredit any of them. Instead, it cooperates with other State agencies and non-governmental groups that perform these functions, while operating as an independent board with its own staff and its own specific duties of evaluation, coordination, and planning.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Kenneth B. O'Brien, who is appointed by the Commission.

The Commission publishes and distributes without charge some 30 to 40 reports each year on major issues confronting California postsecondary education. Recent reports are listed on the back cover.

Further information about the Commission, its meetings, its staff, and its publications may be obtained from the Commission offices at 1020 Twelfth Street, Third Floor, Sacramento, CA 98514-3985; telephone (916) 445-7933.

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California Postsecondary Education Commission Report 90-12

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985.

Recent reports of the Commission include:

89-25 Overseeing the Heart of the Enterprise: The Commission's Thirteenth Annual Report on Program Projection, Approval, and Review Activities, 1987-88 (September 1989)

89-26 Supplemental Report on Academic Salaries, 1988-89: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation (September 1989)

89-27 Technology and the Future of Education: Directions for Progress. A Report of the California Postsecondary Education Commission's Policy Task Force on Educational Technology (September 1989)

89-28 Funding for the California State University's Statewide Nursing Program: A Report to the Legislature in Response to Supplemental Language to the 1988-89 Budget Act (October 1989)

89-29 First Progress Report on the Effectiveness of Intersegmental Student Preparation Programs: One of Three Reports to the Legislature in Response to Item 6420-0011-001 of the 1988-89 Budget Act (October 1989)

89-30 Evaluation of the Junior MESA Program: A Report to the Legislature in Response to Assembly Bill 610 (Hughes) of 1985 (October 1989)

89-31 Legislation Affecting Higher Education During the First Year of the 1989-90 Session: A Staff Report of the California Postsecondary Education Commission (October 1989)

89-32 California Colleges and Universities, 1990: A Guide to Degree-Granting Institutions and to Their Degree and Certificate Programs (December 1989)

90-1 Higher Education at the Crossroads: Planning for the Twenty-First Century (January 1990)

90-2 Technical Background Papers to *Higher Education at the Crossroads: Planning for the Twenty-First Century* (January 1990)

90-3 A Capacity for Learning: Revising Space and Utilization Standards for California Public Higher Education (January 1990)

90-4 Survey of Space and Utilization Standards and Guidelines in the Fifty States: A Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission (January 1990)

90-5 Calculation of Base Factors for Comparison Institutions and Study Survey Instruments: Technical Appendix to *Survey of Space and Utilization Standards and Guidelines in the Fifty States*. A Second Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission (January 1990)

90-6 Final Report, Study of Higher Education Space and Utilization Standards/Guidelines in California: A Third Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission (January 1990)

90-7 Legislative Priorities of the Commission, 1990: A Report of the California Postsecondary Education Commission (January 1990)

90-8 State Budget Priorities of the Commission, 1990: A Report of the California Postsecondary Education Commission (January 1990)

90-9 Guidelines for Review of Proposed Campuses and Off-Campus Centers: A Revision of the Commission's 1982 *Guidelines and Procedures for Review of New Campuses and Off-Campus Centers* (January 1990)

90-10 Faculty Salaries in California's Public Universities, 1990-91: A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No. 51 (1965) (March 1990)

90-11 Status Report on Human Corps Activities, 1990: The Third in a Series of Five Annual Reports to the Legislature in Response to Assembly Bill 1820 (Chapter 1245, Statutes of 1987) (March 1990)

90-12 The Dynamics of Postsecondary Expansion in the 1990s: Report of the Executive Director, Kenneth B. O'Brien, March 5, 1990 (March 1990)

90-13 Analysis of the 1990-91 Governor's Budget: A Staff Report to the California Postsecondary Education Commission (March 1990)

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